

Renumbered 5/10/2016

17C-1-401 Agency receipt and use of tax increment and sales tax -- Distribution of tax increment and sales tax.

- (1) An agency may receive and use tax increment and sales tax, as provided in this part.
- (2)
 - (a) The applicable length of time or number of years for which an agency is to be paid tax increment or sales tax under this part shall be measured:
 - (i) for a pre-July 1, 1993, project area plan, from the first tax year regarding which the agency accepts tax increment from the project area;
 - (ii) for a post-June 30, 1993, urban renewal or economic development project area plan:
 - (A) with respect to tax increment, from the first tax year for which the agency receives tax increment under the project area budget; or
 - (B) with respect to sales tax, as indicated in the interlocal agreement between the agency and the taxing entity that established the agency's right to receive sales tax; or
 - (iii) for a community development project area plan, as indicated in the resolution or interlocal agreement of a taxing entity that establishes the agency's right to receive tax increment or sales tax.
 - (b) Unless otherwise provided in a project area budget that is approved by a taxing entity committee, or in an interlocal agreement or resolution adopted by a taxing entity, tax increment may not be paid to an agency for a tax year prior to the tax year following:
 - (i) for an urban renewal or economic development project area plan, the effective date of the project area plan; and
 - (ii) for a community development project area plan, the effective date of the interlocal agreement that establishes the agency's right to receive tax increment.
- (3) With respect to a community development project area plan:
 - (a) a taxing entity or public entity may, by resolution or through interlocal agreement, authorize an agency to be paid any or all of that taxing entity or public entity's tax increment or sales tax for any period of time; and
 - (b) the resolution or interlocal agreement authorizing the agency to be paid tax increment or sales tax shall specify:
 - (i) the base taxable value of the project area; and
 - (ii) the method of calculating the amount of tax increment or sales tax to be paid to the agency.
- (4)
 - (a)
 - (i) The boundaries of one project area may overlap and include the boundaries of an existing project area.
 - (ii) If a taxing entity committee is required to approve the project area budget of an overlapping project area described in Subsection (4)(a)(i), the agency shall, before the first meeting of the taxing entity committee at which the project area budget will be considered, inform each taxing entity of the location of the overlapping boundaries.
 - (b)
 - (i) Before an agency may collect tax increment from the newly created overlapping portion of a project area, the agency shall inform the county auditor regarding the respective amount of tax increment that the agency is authorized to receive from the overlapping portion of each of the project areas.
 - (ii) The combined amount of tax increment described in Subsection (4)(b)(i) may not exceed 100% of the tax increment generated from a property located within the overlapping boundaries.

- (c) Nothing in this Subsection (4) shall give an agency a right to collect or receive tax increment or sales tax that an agency is not otherwise entitled to collect under this title.
- (d) The collection of tax increment or sales tax from an overlapping project area described in Subsection (4)(a) does not affect in any way an agency's use of tax increment or sales tax within the other overlapping project area.
- (5) With the written consent of a taxing entity, an agency may be paid tax increment, from that taxing entity's tax revenues only, in a higher percentage or for a longer period of time, or both, than otherwise authorized under this title.
- (6)
 - (a) Subject to Section 17C-1-407, an agency is entitled to receive tax increment as authorized by:
 - (i) for a pre-July 1, 1993, project area plan, Section 17C-1-403;
 - (ii) for a post-June 30, 1993, project area plan:
 - (A) Section 17C-1-404 under a project area budget adopted by the agency in accordance with this title;
 - (B) a project area budget approved by the taxing entity committee and adopted by the agency in accordance with this title; or
 - (C) Section 17C-1-406; or
 - (iii) a resolution or interlocal agreement entered into under Section 17C-2-207, 17C-3-206, 17C-4-201, or 17C-4-202.
 - (b) A county that collects property tax on property located within a project area shall pay and distribute any tax increment:
 - (i) to an agency that the agency is entitled to collect; and
 - (ii) in accordance with Section 59-2-1365.